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Senators call for greater effort to counteract spying

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WASHINGTON — The United States is inadequately equipped to combat a hostile spying threat "more serious than anyone in government has yet acknowledged," the Senate Intelligence Committee said yesterday.

It allows in too many Soviet bloc spies, spends too little on tracking them and in protecting its secrets, pays insufficient attention to present and former government employees with access to classified data and is increasingly vulnerable to penetration of computers and telephone communications, the panel said.

Its efforts also have been hampered by bureaucratic inertia, disputes among agencies, and what committee Chairman David F. Durenberger, R-Minn., called a failure among policy-makers to examine ideas for improvement.

The committee released its findings, along with 95 recommendations, in a 144-page report resulting from a 16-month study and 16 closed hearings it said drew "full cooperation" from the Reagan administration.

Many of the problems detailed in the report and in a thicker classified version will be addressed in a report

President Reagan is expected to give the committee shortly, the panel said in a statement.

In addition to military damage estimated to be in the billions of dollars resulting from espionage cases in the past several years, including that of the Walker spy ring, the panel said that U.S. intelligence has been "gravely impaired," that some

U.S. technological advantages have been overcome and that "sensitive aspects of U.S. economic life" have been "subject to constant Soviet monitoring."

The unclassified report appeared to shed little new light on what U.S. secrets may have been lost as a result of recent spy cases or as a result of the defection this summer of fired CIA agent Edward Lee Howard.

But it concluded: "Based on the public and classified record, the committee has found the aggregate damage in recent years to be far greater than anyone in the U.S. government has yet acknowledged publicly."

The United States is vulnerable to recruitment of spies by Soviet bloc agents established here in a variety of official and unofficial capacities; to interception of U.S. communications "from collection facilities throughout the world," including an extensive site in Cuba; and to the penetration of a wide range of technical data and high-technology equipment, it said.

In addition to 450 Soviet intelligence agents the panel says are here under cover as diplomats, U.N. employees and in other positions, the committee said there were thousands of other Soviet bloc employees of commercial entities who can be used for clandestine activities.

"A Czech, Pole or other East European is frequently able to contact U.S. companies without arousing the suspicion that contact by a Soviet official would occasion," the report said.

The increased use of computers in the United States multiplies the information to which an agent may get access, the report said.

"Over the past decade, the Soviets have acquired over 300 different types of U.S. and other Western computer hardware and software, which has enabled them to develop the technical ability to penetrate at least some U.S. automated systems," it said.

Discussing Soviet penetration of communications, the report said that "more than half of all telephone calls in the United States made over any distance are vulnerable to interception" by surveillance.

The report said that "too many government officials and contractor employees discuss classified matters on unsecured lines because of the difficulty and expense of using currently available secure communications equipment."

An effective Soviet intelligence tool, highlighted by the recent case of Gennady F. Zakharov, is the number of Soviet employees working for the United Nations Secretariat, according to the report.

"The KGB has succeeded in infiltrating its officers into the U.N. bu-

reaucracy, with some reaching positions of authority. The KGB has held the position of assistant to the secretary general" since the days of U Thant — who held that post from 1962 to 1971 — the report said. "The current assistant is a KGB China expert."

The panel repeated its insistence that the United States reduce the official Soviet presence here.

It again stressed the need for a National Strategic Security Program, an interagency forum to develop ways to protect sensitive information.

Other recommendations included:

□ Spending \$500 million more than in fiscal 1985 for both counterintelligence and security measures, including \$129 million to protect communications.

□ A new look at the treatment of defectors as a result of lapses highlighted by the redefection last November of KGB official Vitaly Yurchenko.

□ Early FBI and Justice Department involvement in cases of suspected espionage by present or former government officials.

□ A streamlined procedure for classifying government material, and new procedures for authorizing disclosure. The present system of occasional "authorized leaks" has bred what the report called a "climate of cynicism" and has fostered "disrespect for security."

□ Better screening of employees for sensitive positions, with more thorough follow-up and tracking by scrutinizing travel and finances of former government employees who had access to secrets.